

Message Text

CONFIDENTIAL

PAGE 01 STATE 089360

65R

ORIGIN EA-09

INFO OCT-01 ISO-00 TRSE-00 EB-07 L-03 INR-07 NSC-05 PRS-01

IO-13 SP-02 CIAE-00 OMB-01 SS-15 SSO-00 NSCE-00

INRE-00 /064 R

DRAFTED BY EA/EP:RHIMUS/TREASURY:RMEYERS:MHS

APPROVED BY EA:RHMILLER

EB/IFD/ODF:NRIEGG

----- 054803

O 140014Z APR 76

FM SECSTATE WASHDC

TO AMEMBASSY MANILA IMMEDIATE

AMEMBASSY SEOUL PRIORITY

AMEMBASSY TAIPEI PRIORITY

C O N F I D E N T I A L STATE 089360

E.O. 11652: GDS

TAGS: EAID, VS

SUBJECT: VIET-NAM INTEREST IN ADB

REFS: A) MANILA 4783, B) MANILA 4929, C) MANILA 5015,
D) SEOUL 2647

1. FROM REFTTEL A, B, AND C IT SEEMS CLEAR VIETNAMESE WILL
SEND DELEGATION TO ADB ANNUAL MEETING. KOREAN ADB DIRECTOR,
WHO REPRESENTS KOREA, ROC, AND SOUTH VIET-NAM AT ADB RE-
PORTS VIETNAMESE PLAN TO DISCUSS RESUMPTION OF BANK OPERA-
TIONS WITH ADB MANAGEMENT DURING ANNUAL MEETING.

2. KOREAN DIRECTOR HAS ASKED FOR USG VIEW ON ALTERNATE
DIRECTOR'S POSITION. PREVIOUS VIETNAMESE ALTERNATE LEFT
ADB FOR IMF STAFF POSITION IN MAY 1975. USG WOULD SUPPORT
A KOREAN DECISION TO POSTPONE THE ASSIGNMENT OF ALTERNATE
DIRECTOR UNTIL AFTER VIETNAMESE REUNIFICATION ELECTION AND
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 089360

CLARIFICATION OF VIETNAMESE POSITION WITH ADB AND WILL

SO INDICATE TO ADB MANAGEMENT.

3. ROK HAS REQUESTED USG VIEWS ON ATTENDANCE OF VIETNAMESE DELEGATION AT ANNUAL MEETING. USG WILL NOT OPPOSE ATTENDANCE OF DELEGATION FROM SOUTH VIET-NAM. ON THE GENERAL ISSUE OF VIET-NAM'S RELATIONSHIP WITH THE ADB, WE DO NOT

OPPOSE THE SAIGON REGIME'S PARTICIPATION IN BANK ACTIVITIES, PROVIDED IT MEETS ALL OBLIGATIONS AND RESPONSIBILITIES OF ADB MEMBERSHIP. AS SOUTH VIET-NAM HAS MADE NO LOAN INTEREST PAYMENTS SINCE APRIL 1975, SUCH ARREARAGES WOULD, HOWEVER, HAVE TO BE MADE CURRENT FOR SVN TO BE CONSIDERED IN GOOD STANDING. TO REMAIN IN GOOD STANDING AND FOR BANK TO RESUME DISBURSEMENTS THE PRG WOULD HAVE TO COMPLY WITH OBLIGATIONS REQUIRED OF MEMBERS, SUCH AS MEETING RATE COVENANTS AND CONSULTING AND MANAGEMENT ARRANGEMENTS, AS WELL AS ALLOWING FREEDOM OF ENTRY AND MOVEMENT FOR BANK STAFF REGARDLESS OF NATIONALITY, ADHERING STRICTLY TO ALL CONDITIONS STIPULATED IN LOAN AGREEMENTS, AND USING INTERNATIONAL COMPETITIVE BIDDING FOR PROJECT PROCUREMENT.

4. AT THE SAME TIME, WE DO NOT WISH BANK TO BE UNDULY SOLICITOUS OF SAIGON'S INTEREST. AT THIS POINT WE WOULD URGE THE BANK TO KEEP THE RELATIONSHIP WITH VIET-NAM ON A STRICTLY CORRECT BASIS. IN ANY CASE, WE WOULD SUPPORT ADB PRESIDENT INOUE'S VIEW THAT A THOROUGH ADB MANAGEMENT REVIEW AND COMPREHENSIVE REPORT TO THE BOARD OF DIRECTORS ON THE SITUATION IS NECESSARY. IN THAT REVIEW VIETNAMESE INTENTIONS AND PROCEDURES FOR MAINTAINING RELATIONS WITH THE BANK AND DETERMINATION AS TO WHETHER OR NOT NEW GOVERNMENT WOULD ENSURE COMPLIANCE WITH EXISTING LOAN AGREEMENTS, OR WHETHER IT WOULD EVEN WANT TO CONTINUE WITH SAME PROJECTS NOW UNDER WAY OR THOSE WHICH HAVE YET TO BECOME EFFECTIVE, SHOULD BE ADDRESSED.

5. IN ADDITION TO FOREGOING PROBLEMS, WE ASSUME THAT POSSIBLE UNIFICATION OF PRG AND DRV WOULD RAISE A WHOLE RANGE OF LEGAL AND OTHER QUESTIONS REQUIRING THOROUGH REVIEW BY ADB AND BOARD OF GOVERNORS.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 089360

6. FOR TAIPEI. IN RECENT WASHINGTON MEETING WITH BUSHNELL, WONG OF ROC EMBASSY INDICATED ROC PREFERRED THAT GOK APPOINT ALTERNATE DIRECTOR TO AVOID PRESSURE FROM VIETNAMESE FOR ALTERNATES SLOT WHICH WONG SAID ROC UNWILLING ACCEPT. WONG SAID ROC NOT INTERESTED IN ALTERNATE'S JOB AS IT WANTS KEEP POSTURE AT BANK LOW. AT THAT TIME BUSHNELL INDICATED US WOULD NOT HAVE ANY PROBLEM WITH EARLY APPOINTMENT OF KOREAN ALTERNATE. HOWEVER, ON REFLECTION AND IN LIGHT GOK

VIEWS THAT IT BETTER TO LEAVE POSITION OPEN TO AVOID EARLY
SHIFT VIETNAMESE CONSTITUENCY AND ESPECIALLY IN LIGHT UP-
COMING POTENTIAL UNIFICATION VIET-NAM, WE ARE PREPARED TO
SUPPORT GOK DELAY STRATEGY. PLEASE REVIEW OUR THINKING
WITH APPROPRIATE ROC OFFICIALS AND REPORT THEIR THINKING.

7. FOR SEOUL. PLEASE REVIEW US THINKING WITH APPROPRIATE
OFFICIALS AND REPORT.

8. FOR MANILA ADB. PLEASE REVIEW ABOVE THINKING WITH ADB
PRESIDENT AND REPORT. KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEMBERSHIP, POLICIES, VS, DEVELOPMENT BANKS, MEETING DELEGATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: SmithRJ
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE089360
Document Source: CORE
Document Unique ID: 00
Drafter: RHIMUS/TREASURY:RMEYERS:MHS
Enclosure: n/a
Executive Order: RR
Errors: N/A
Film Number: D760145-0294
From: SECSTATE WASHDC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760457/aaaabwgy.tel
Line Count: 126
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 MANILA 4783, 76 MANILA 4929, 76 MANILA 5015, 76 SEOUL 2647
Review Action: RELEASED, APPROVED
Review Authority: SmithRJ
Review Comment: n/a
Review Content Flags:
Review Date: 24 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 MAY 2004 by ellisoob>; APPROVED <17 SEP 2004 by SmithRJ>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: VIETNAM INTEREST IN ADB
TAGS: EAID, VS, ID, US, ADB
To: JAKARTA MANILA CANBERRA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006